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PRINCIPAL CONTENTS

One Hundred and Six
Votes

Editorial

The Don Basin Plot

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One Hundred and Six Votes

THE Plenum of the Communist International, which was recently held in Moscow, expelled from the Comintern the group of ex-members of the Central Executive of the West Ukrainian Party, led by Vassilkov and Turyanski. This group, as is generally known, attempted in January, 1928, to split off the Communist Party of West Ukraine from the Communist Party of Poland, and to adopt the platform of the Ukrainian petty-bourgeois nationalists.

As is the custom with all good renegades, the Vassilkov-Turyanski group tried to cover up its secession from Communism and its actual transfer to the camp of the Polish Fascists with a whole stream of revolutionary phrases and quasi-Communist phraseology. It accused the leadership of the C.P.W.U. and the C.P.P. of innumerable opportunist deadly sins, and of ignoring the very basis of the Leninist national policy. It published its own literature with perfect freedom with money stolen from the Party funds, and continued to act on behalf of the Party, calling itself the C.C. of the C.P.W.U., the Polit-Bureau of the C.C. of the C.P.W.U., etc. The Sejm elections, which have just taken place, provide the possibility of measuring the real influence of this separatist group and its contact with the West Ukrainian workers.

WEST UKRAINE is, from the economic point of view, the most backward part of present-day Poland; but on this territory there is the only oil region in all Poland. There something like 15,000 workers are engaged, about the same number as the entire working population of the capital, Lvov (railway workers, engineers).

During the Sejm elections in Lvov and Strya, Workers' and Peasants' Unity (List No. 13) candidates were put forward. West Ukrainian Communists and sympathisers voted for the anti-Fascist peasant candidates. In the chief working-class centre of West Ukraine, the Stryinski district, the supporters of Vassilkov were unable to nominate their candidate. Whereas, in Lvov they put forward with great pomp a candidate on behalf of the "Left Workers' and Peasants' Unity." The Fascist district electoral com-

mission cancelled the No. 13 list in the Stryisk district, but still this cancelled list polled about 4,500 votes at the elections; whereas the Right peasant candidates, supported by the followers of Vassilkov, polled only about half this number of votes. And even at that these voters did include workers. All Communist sympathisers amongst the workers in Strya voted for list No. 13, which had been cancelled.

In Lvov the number of votes polled for list No. 13 was, according to the official reports, 3,580, whilst list No. 36 (the Vassilkov group) only polled 106 votes in all Lvov. This was how the Communist workers of the capital of West Ukraine replied to the brazen separatists, who had the impudence to call themselves their representatives and to act on their behalf.

A FEW dozen petty-bourgeois nationalists were all that the prolonged mobilisation of the Vassilkov group could muster as an "army" in the capital of West Ukraine to act against the Comintern and the Soviet Union. It will be admitted that this was rather a small backing to set against the C.P.P. and the C.P.W.U.

No. 13 candidates polled 65,000 votes in Warsaw, 67,000 in the Dombrov basin, 49,000 in Lodz, 20,000 in Silesia, 4,000 in Bielostok, 16,000 in Grodnenski district, 10,000 in Warsaw county, 10,000 in the county of Lodz, 3,000 in Vilna, about 2,000 in Cracow county, 6,500 in Strya district, and about 4,000 in Lvov. All these votes were secured under circumstances of the most unheard-of terror. But the Vassilkov group secured 106 votes in Lvov!

The total number of votes polled throughout the country for No. 13 was about 350,000. Vassilkov's supporters only succeeded in polling 106 votes. Where can there be found 40,000 couriers to spread the news of this "glorious victory" throughout the country?

The Communist Party of the Ukraine has about 200,000 members, and can count on the support of millions of workers and labouring peasants. The Ukrainian Communist Party dealt a decisive blow at the Ukrainian counter-revolution, and will establish a proletarian State in Soviet Ukraine, which has been liberated

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through bloodshed; it will be assisted in this task by the fraternal help of proletarian Russia and the revolutionary workers of the whole world. In opposition to it there is the Vassilkov group, a few of the leaders who already in 1919 fought against the Ukrainian workers and peasants with the counter-revolutionary Petlura army, a group which, with its 106 supporters, will teach the C.P.W.U. the Leninist national policy. Such a position is too ludicrous for words!

DURING this past year in West Ukraine, which is occupied by Poland and West White Russia, under conditions of a partial stabilisation of capitalism and unprecedented Fascist terror, we have had a rich harvest of renegades of the anti-Fascist national-revolutionary movement and Communist renegades—a whole series of renegades from Vasyntschuka, deputy in the last Sejm, to Vassilkov. This entire renegade front attempted at the last election to fish in troubled waters, to attract to its ranks tired, disappointed, politically undeveloped workers and peasants, and to distract them from the direct struggle with the Fascist dictatorship. The renegades and separatists, belonging to the ranks of the White Russian "Hromada"

and the Ukrainian Peasant Party, etc., concentrated on the peasantry, whilst the Communist renegades endeavoured to create a proletarian basis for themselves in West Ukraine in opposition to the Communist Party.

These latter renegades of the Vassilkov type had the least success of them all; for the workers meted out to them the opposition they deserved and put them in their place. What is there left now for these renegades to do? To strengthen their work would imply a more pronounced offensive against the U.S.S.R. They would be forced to throw off the mask of would-be loyalty, discontinue talking about the Kaganovitch group and talk about the C.P.W.U., cease calling themselves Communists, since no one believes this anyhow, and least of all the workers of West Ukraine.

Already in 1920-21 we had experience of Vinnitschenko, who on his return from Soviet Ukraine did his dirty work under the Communist flag, and then cast aside this flag, and, together with Schapoval, formed the united national front. There can be no doubt that along these same well-trodden ways the Vassilkov group will also go to the bitter end.

This final stage may be either the camp of the Ukrainian counter-revolutionary bourgeoisie or for some few perhaps actual service on behalf of Polish Fascism. We wish them a pleasant journey!

The Struggle for Industrialisation in the U.S.S.R.

K. Krumin (Conclusion)

Economic difficulties have been overcome by an increase in the output of industrial products, the strict maintenance of the price policy in industry and agriculture and of the class policy in the matter of the regulation of payments. The Party has not slackened in the least its struggle for the correct socialist price policy. This policy has been instrumental in smashing the kulak opposition to the price policy and their attempts to raise prices and to bring about a differentiation between spring and autumn grain prices. Last year we were successful in avoiding any differentiation between spring and autumn grain prices and the Party will do everything in its power to maintain this most important attainment also this year.

However, it is clear that the grain price policy can only be maintained if the policy of industrial prices also remains the same. There can be no question of the slightest deviation from the general policy as regards the price policy for industrial products, which aims at a gradual reduction in prices. Hence in the economic situation which has arisen, to raise the prices of industrial products would be a mistaken and dangerous policy. It is an elementary fact that the grading of prices in accordance with supply and demand is not Soviet policy, but a typical trait of capitalist economics. Any increase in the prices of industrial products must needs bring with it an increase in the price of grain.

The introduction of such a policy would constitute a blow to the stability of the currency. A shortage of goods denotes a certain undermining of the currency, but the proposal to raise prices would constitute a general undermining of the stability of the currency. Any undermining of the currency implies an attack on State credits, etc. There is no place for any such proposal in Soviet construction.

In view of the economic difficulties it would not be advisable to try to alter our entire plan for capital construction in industry, although the realisation of such a plan must encounter certain difficulties. A large-scale plan of capital construction involves the withdrawal of considerable resources from the market, and the actual effect of this work can only be seen in about three to five years, when new wares can be put on the market. The purchasing capacity of the workers and peasants engaged in industry grows at once, so too does the capacity of production, etc. Hence, the existence of a large-scale plan of capital construction must result in economic difficulties in the market. But the main difficulty lies in the fact that the basic disproportion existing in Soviet economy, including the disproportion between purchasing capacity and supply, can only be finally overcome on the basis of a large-scale plan of capital construction. And since the most vital interests of socialist construction are bound up with the realisa-

Struggle for Industrialisation—Continued

tion of extensive capital construction the working class will not fail to carry it out within the limits of the workers' and peasants' bloc, despite the temporary difficulties which are bound to ensue.

The aforementioned large-scale plan for capital construction in industry during the present year amounting to 1,193,500,000 roubles, is perfectly feasible. It is true it will require a tremendous mobilisation of all the moral and material forces of the country. Everything must be done to overcome all the shortcomings and errors which have prevailed in the work of capital construction up to the present. During the first quarter the amount of work done exceeded the limits of the plan decided upon; a fact which was bound to affect the financial resources of industry and credits and consequently bring about a general economic depression.

The large-scale plan for capital construction is closely connected with the speeding up of economic construction. We already pointed out the important role of industrial production in overcoming economic difficulties. The policy of a considerable increase in industrial production will be carried out, despite all the howls of the foreign and white-guard press about crises and the failure of the economic machinery in the Soviet Union. Production in the current year will be greater than last year and the pace will be considerably accelerated. The output last year showed an increase of 19.6 per cent. and in the current year an increase of 23 per cent. Experience has shown the incorrectness of the general theories about Soviet industrial production; these theories were based on the special theory connected with the period of reconstruction regardless of the social-democratic basis of Soviet construction and the economic policy of the Workers' Government. Such theories failed to consider the peculiarities of the Soviet system and the relations between town and country in the Soviet Republic, which are a source of a far speedier economic development than is possible under capitalism and which give promise of a still speedier development in the future. The pace of development is a result of the basic gains won by the October revolution, of the transition to the socialist system as compared with the capitalist system.

In our work to increase the output of socialised industry we have no intention of revising our attitude as regards the general relation between light and heavy industry. As before, our chief aim will be to concentrate on speeding up the development of heavy industry. Heavy industry continues to develop. The general policy of strengthening the Soviet country as an independent country is based on this, and there can be

no going back on this policy. But still this fact does not mean that we will not correct errors which have occurred in the development of light industry. The tempo of the output of light industry must be increased and measures taken by the Party and the government tend towards increasing the output of light industry over that originally contemplated. It must be remembered that production in light industry is directly dependent upon the quality of the harvest of the year in question.

In conclusion a few remarks about foreign trade. The difficulties on the grain market were accompanied by corresponding difficulties in foreign trade, quite apart from those caused by the international situation. During the first quarter the general turnover of foreign trade was 390,200,000 roubles, as compared with 380,300,000 roubles for the first quarter of the current year. Thus we see that the level of our trade relations with the capitalist world remains stable. Exports amounted to 194,500,000 roubles as against 229,100,000 roubles last year; this reduction in exports was due to the fall in the quantity of grain exported. Still we have an increase in the exports of various other agricultural and industrial products, but this increase did not make good the fall in the grain export. Therefore, our present task must be to develop the export of agricultural products of secondary importance as well as industrial products. The possibilities for such exports exist and must be taken advantage of by securing the active participation of local organisations and the joint action of the provinces and the metropolis.

Although the position of exports is unfavourable, imports remain stationary and still serve the interests of the capital construction of industry and the requirements of the industrialisation of the country. Foreign trade is carried on entirely in the interests of the industrialisation of the Soviet Republic and its speeding up.

The Party and the country succeeded in overcoming the difficulties that arose at the beginning of the present year. They were overcome in accordance with the policy of industrialisation, without any deviation either to the right or to the left. Every lever at the disposal of the economic machinery is so used as to overcome economic difficulties and at the same time continue the development of socialist industrialisation. There are bound to be difficulties in so doing, but Bolsheviks are not to be deterred by difficulties. They make no secret of the difficulties to be encountered in the realisation of this task. They are leading the workers and peasants on to socialism, developing the work of the socialist reorganisation of small peasant farms on the basis of the industrialisation of the country.



The Don Basin Plot

K. Kreibich

AS the old saying goes, our lips betray our feelings when we are deeply affected, and when a suitable occasion arises our hearts suddenly overflow and we declare our real feelings. The discovery of the economic counter-revolutionary plot, involving Russian and also some foreign engineers and technicians in the Don basin, had such a sudden effect on both bourgeois and social-democratic hearts, especially in Germany, that certain bourgeois elements grew frightened a few days later at this all too fervent and premature disclosure of their real feelings, and began to beat a retreat. But it was already too late. No matter how careful these gentlemen may now be in their utterances, they have already clearly shown what may be expected from their attitude to the Soviet Union. They have only confirmed what we have always declared to be their feelings towards the U.S.S.R.

In the circumstances only a general statement could be published on the plot discovered in the Don basin, and especially concerning the complications implicating foreign capitalist circles, which have only been indicated and not reported in detail. All the details can only be made public after the investigation and the court proceedings. But the manner in which the news was received by the bourgeois press and the Berlin "Vorwaerts" is in itself a complete proof of the correctness of the preliminary report from the Don basin. These gentlemen in their excitement, after the manner of criminals caught unexpectedly, denied too much, and thereby indirectly confessed their guilt. If we examine the German press during the first few days we find nothing but the excitement of the accused, who have again been baulked in their infamous plans against the U.S.S.R. In this outburst an absolutely ideal united front was established, extending from the reactionary and Fascist Right to the social-democratic "Vorwaerts."

The Press on the Arrests

The bourgeois and social-democratic press, in their zeal to defend the conspirators, wrote the most utter nonsense. They straightway declared that the arrested German engineers were absolutely innocent. The defenders of the conspirators in the "Frankfurter Zeitung" complained that the Soviet officials had not made concrete statements to prove the guilt of the arrested men, but at the same time this paper wrote that perhaps it was possible that the German engineers "might have made some critical remarks about Russian conditions," but that any participation in a plot was out of the question. The fact of declaring an accused person innocent without being in possession of the facts of the case is certainly the best way to simplify the campaign for the accused. This false defence is based on the equally false statement that the Soviet authorities did not report the evidence on which they base their accusations. These capitalist scribblers, who write such nonsense, know very well that no prosecuting body in

the world would publish details of a charge before a case is dealt with; in bourgeois States the press laws forbid the publication of an indictment prior to court proceedings. And what is more, in Germany all criminal offences in the nature of espionage and high treason are tried behind closed doors. On this account the demand of these paid agents of the German press for the publication of all details about the German engineers is nothing but downright insolence.

The Berlin "Tageblatt" was somewhat more cautious; it at least admitted the possibility of the plot, and wrote as follows:

"The industrialisation of Russia is closely bound up with the Russian Ruhr district (Don basin), and it is very possible, should there be any intention of foreign intervention, that here a beginning would be made to undermine the industrial strength of the Soviet Union, and in the event of war or any other serious occurrences a mine would be sprung here. The three hundred million credit and the consequent influx of machines have opened the doors of Russia. The machines are in many instances badly installed and tended, and the necessary skill to handle them and instructions were lacking."

The "Vorwaerts" went one better than the entire bourgeois press, even including the most reactionary organs. Although it is fully aware of the well-known faultlessness of German justice, which throws thousands of workers into prison and at the same time lets the worst criminals go scot-free, the "Vorwaerts" declared its absolute lack of confidence in Soviet justice. It declared without any hesitation that the arrested men were the most innocent lambs, who were the scapegoats for the incapacity of Soviet Russians, and might have to pay for it either with a loss of liberty or even their lives. And then, as though to prove how well this social-democratic central organ expresses the interests of the workers, it raises the question: "Who will invest capital in Russia after this?" The "Hamburger Echo" did not want to be quite outdone by the "Vorwaerts," and imagined that there must be certain internal political machinations of no mean dimensions behind the arrests. Still this social-democratic paper at least admitted that, "in view of their attitude, neither the reactionary Russians nor the foreign entrepreneurs were above suspicion, and might easily employ such contemptible methods in the political and economical struggle. It must be admitted that the constant contact between industrialists and Russian adventurers provides the possibility for such stupid and shady activity in Russia."

The French counterpart of the Berlin "Vorwaerts" is the "Populaire," the central organ of the French socialists. O. Rosenfeld wrote in this paper on March 16th that the Soviet Government "let the conspiracy

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come to a head in order to appease the discontent of the workers."

The German Government

After the first few days of the storm of indignation a certain calm prevailed in both bourgeois and social-democratic papers in Germany. But this was only the calm before the storm of a far more momentous attack which was to come this time from the bourgeois-bloc government. The Marx-Stresemann Government realised the policy of a *rapprochement* with Entente imperialism under the pressure of the Entente imperialists and the growing imperialist desires of German capitalism. This policy was based on the concrete imperialist hopes of German capitalism, which it was thought could be realised by a *rapprochement* with the West, and on the illusions of a considerable section of the masses of the population, which were bound up with the League of Nations and Locarno, etc. When these illusions and hopes were in the ascendancy the attitude of German foreign policy towards Soviet Russia became remarkably cool. These western spring hopes were destined to experience a winter chill, and powerful industrial interests demanded an extension and strengthening of trade relations between Germany and the Soviet Union. Thus it came about that negotiations were re-opened in November, 1927, between Germany and the U.S.S.R. on the initiative of the German Government. Meanwhile the bourgeois bloc and its government had experienced reverses, and now they are faced with elections. At such a critical moment Marx and Stresemann did not want to enter into any binding agreements in the matter of foreign politics, and consequently did not want to commit themselves by concluding the trade agreement with the U.S.S.R. Hence, through Germany's fault these negotiations were long-drawn-out, and finally the arrest of the German engineers in the Don basin served as a very welcome excuse to break off negotiations. These arrests, however, could not serve as a real reason for breaking off negotiations, even the German bourgeois papers had to admit that the arrests did not infringe the agreement, and that the Soviet authorities had acted absolutely correctly.

But the most important factor here is not breaking off trade negotiations, for the "Koelnische Zeitung (Cologne) pointed out that even without the Don basin affair a breach would have taken place. The rupture and the tone of the bourgeois press were only a proof of how the German capitalists and their political representatives cherish the counter-revolutionary activity of the arrested engineers, and how much they are in agreement with it, since this activity is part and parcel of capitalist policy towards the Soviet Union.

It is no mere chance that this kind of counter-revolutionary activity has at the present juncture become more pronounced, and for this very reason was discovered. International counter-revolution has made the most strenuous efforts to provoke the U.S.S.R. to declare war. All these efforts have been in vain, and the imperialists were forced to come to a standstill in

this respect, because of the opposition of the workers in their own countries and the revolutionary movements in the colonies, and also the strained relations between the imperialists themselves. Hence they concentrated on the economic side of their activity against the Soviet Union. Quite apart from the basic differences between the U.S.S.R. and capitalist States, the real bone of contention is to be found in socialist construction, the introduction of the seven-hour day and the improvement in the material position of the workers, which taken together are at the present stage more dangerous for capitalists of all countries than that propaganda about which they raise such an outcry and put forward as an excuse for all their attacks. On this point the interests of the social-democratic leaders and the capitalists go hand-in-hand. For the social-democratic leaders know only too well that the successful progress of socialist construction must have a tremendous effect on the workers in capitalist countries, especially in view of the rationalisation and stabilisation of capitalism, which is bound up with the increased exploitation and oppression of the workers in those countries. The victory of socialist construction in the Soviet Union will mean that the ground will be taken from under the feet of the social-democrats. They know that the successful progress of the proletarian revolution will hit them first of all, because the workers must first overthrow the defenders of capitalists before they can attack the capitalists themselves. This is the reason why the social-democratic leaders are carrying on such a bitter struggle against socialist construction in the Soviet Union will mean that the ground capitalists themselves.

The Capitalist Need of Markets

The imperialists consider a war against the U.S.S.R. the most ideal method of breaking up socialist construction, but since they cannot adopt this policy just now they are devoting all their attention to the break-up of the socialist structure by means of the economic struggle. Economic contacts between capitalist countries and the U.S.S.R. are based on the need for markets for their surplus production, and also on the hope that the dictatorship of the proletariat might be undermined by economic relations with capitalist States and the activity of capitalist representatives in the Soviet Union. What the capitalist States would like best of all would be to crush the entire economic development of the Soviet Union by a general economic blockade. A blockade of this nature has already been tried with as little success as the wars of intervention. This fact merely urges the capitalists on to renewed efforts to bring about a new blockade and a new war. The path which the imperialists wish to follow is shown clearly by the activities of Deterding, the French action against the Russian gold sent to America and various other events. These economic activities of the imperialists should not be considered apart from their war preparations, but in connection with them.

The interference of the Stresemann Government has excited resentment against the Soviet Union, and roused feelings in favour of the conspirators. The "Frankfurter Zeitung" has stormed against Soviet justice, which "by its draconic laws, inconceivable in

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other countries, serves a definite policy." This paper romances about "an economic development being interfered with which the law on economic policy provided for, and which the original proposer of this law intended." It is clear that the paper implies that the original intention of the New Economic Policy was to favour sabotage and espionage, and that now this has been rescinded. The remark that the engineers "are the victims of this policy" would be justified if this were so. The "Frankfurter Zeitung," despite all its hostility towards socialist construction, does not forget that it represents the interests of the capitalists, who have trading relations with the Soviet Union, and does not want to have these injured any more than can be helped in the struggle against socialist construction. Hence this paper had the courage to set certain limits to the Government action by writing as follows:

"We do not wish to believe that any inner connection between the breach in economic relations and the law case should be so construed that Germany wants to retaliate against Soviet Russia, and in this way influence the pending law suit in Russia, or, on the other hand, that Russia by acquitting the German engineers should thereby hope to secure economic privileges."

Social Democrats Support Stresemann

Much as the capitalists want energetic action to be taken against the U.S.S.R., they also fear that by some stupidity their position might be injured in the Soviet Union. But the Berlin "Vorwaerts" quite freely and unconditionally took the side of the bourgeois-bloc government. In this instance it was not the "Vorwaerts" but the "Sozialdemokratische Pressedienst" ("Social-democratic Press Service"), the official organ of the party executive, which declared:

"... We do not hesitate to declare that we unreservedly approve both Stresemann's declaration to Ambassador Krestinsky and all the other decisions of the Cabinet. And we wish to state clearly that a purely socialist government could not have acted differently in this case... the entire German people approves the action of the government."

The content of this social-democratic declaration is not of so much interest as the demonstrative and provocative stressing of a point of view which, in view of previous experiences with the German social-democratic leaders, was only to be expected. The "Vorwaerts" was also in full agreement with a sharp decision of the National Federation of German industries.

The comic element was not lacking in this campaign, and a "report" was circulated that in connection with the plot in the Don basin the conflict between Tchitcherine and the Comintern has again broken out. This amusing and at the same time absurd and ineffective report points clearly to the endeavour to strengthen the attack on the Soviet Union by an attack on the Comintern.

The reception of the discovery of the plot was just as interesting in France and England as it was in Ger-

many. The "Frankfurter Zeitung" published a telegram from Paris to the effect that France was very pleased about this affair, and that the activity against the economic *rapprochement* between France and the U.S.S.R. was thereby strengthened. A telegram dealing with the reports in the "Temps" shows that hopes have been raised about bringing Germany over to the side of France in the anti-Soviet campaign. The Paris paper wrote:

"After eight years' experience Berlin sees that joint political work with the Soviet Union is of no avail as long as Communist methods prevail in Russia."

The "Vossische Zeitung" was still more expressive in its statements, and read into the whole affair an Anglo-American and Franco-German alliance against the Soviet Union, and stated that the whole attack was directed against the Soviet Government foreign trade monopoly. Capitalists know quite well that the foreign trade monopoly is one of the bases of socialist economic construction, and the manner in which the "Vossische Zeitung" wrote proves that the sabotage in the Don basin constitutes a part of this whole campaign. The Berlin "Tageblatt" was also very clear on this point, and wrote about the interference of the German government thus: "Germany must endeavour to secure full freedom of action on the Russian home market." German capitalists would undoubtedly like to be able to deal "freely" on the Russian market, without the interference of the odious socialist economic organs.

Germany, France and Britain

There not only exists absolute solidarity amongst the capitalists of all countries against socialist construction in the Soviet Union, but there is also keen competition between capitalists in various countries. This competition, however, is mainly instrumental in making capitalists and their lackeys return to capitalist reason when they have had their full fling. In England also there was great joy over the rupture of trade agreement negotiations between Germany and the Soviet Union, but the organ of German heavy industry, the "Rheinische Westfaelische Zeitung," wrote as follows in this connection:

"It is a sorry state of affairs if the British press should praise the attitude of the German Government in the hope that a change in the foreign policy of Germany might lead to the creation of a bloc of the western powers against the Soviet Union, and declare the Rapallo treaty and the Berlin treaty dead. British and French economic circles with Deterding at the head have brought pressure to bear on their governments when their efforts to secure concessions in the U.S.S.R. failed, and in order to create a hostile attitude against Russia they carried on a campaign for the economic boycott of Moscow. It is quite apparent that they count on this policy being of advantage to themselves later. And it is hardly possible to avoid feeling that certain British and French circles would like to push Germany into the vanguard and then reap the

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fruits of this rashness on the part of Germany themselves."

The following report from London in the "Frankfurter Zeitung," March 17th, was also very interesting:

"It would be a mistake to suppose that the silence of the British press on the subject of the Russo-German incident and the consequences which resulted through the action of the foreign office in Berlin, implied that London was not interested in these happenings. On the contrary, this waiting attitude was actually a serious contemplation of the effect which the Russo-German rupture may have on the equilibrium of Europe. For some time past the opinion has prevailed in London that the development of Russo-German relations were not important enough to make it necessary to make concessions on that account, all the more so since, despite the absence of diplomatic relations, the City has again entered into normal relations and carries on business directly with Soviet Russia. The recently-published British grant of credits for the organisation of the Russian dairy business is a case in point. On the other hand, in England there is a growth in the belief that the consolidation of Germany and her re-entry into the ranks of the world Powers constitutes a danger for British industry."

This attitude of France and England sufficed to make German capitalists sit up and explains the fact that the more serious capitalist press in Germany adopted a more moderate tone. It was no mere chance that the German diplomatic "Politische-Korrespondenz" should just at this moment publish an article against the plan of a West European economic bloc. Capitalist interests and relations are extremely complicated not only internationally but also in Germany, and prevent any kind of permanent united action. From various reports it is quite clear that the German manufacturing industry and certain individuals in the heavy industry fear that their export interests may be injured by the industrialisation of the Soviet Union, and hence carry on intrigues against supporting this industrial construction. But the more important circles of German heavy industry are not so short-sighted, which is the reason why these circles and their mouthpieces now stress the necessity of strengthening economic relations with the Soviet Union.

More Subtle Methods

But this does not imply that certain German capitalists are prepared to forget their antipathy to socialist construction in the Soviet Union, or that the German capitalist circles which have criminal intentions will relinquish their plans. It simply means that they are now carrying on their campaign in a more serious and cunning manner, because they see that it is not possible to act openly in too drastic a fashion, and that one should not put all one's cards on the table at once, otherwise success may be endangered. We must not forget that German capitalists are so enthusiastic about economic

relations with the Soviet Union, because they are looking forward to opening up this enormous country for capitalist-imperialist exploitation in connection with a change in the regime, which would secure for them even from geographic reasons, the greatest economic advantages. German imperialists not only count on a western orientation, but also cleverly keep the "drive towards the East" in reserve. This explains why they do not want to lose this market rather than any fear that others might get greater advantages. They realise that to endanger economic relations with the Soviet Union is equivalent to shattering the far-reaching plans of the German capitalists in connection with the East. The vacillations in German policy towards the Soviet Union are caused by the varied nature of these interests and speculations. This whole policy is dictated only in the interests of German capitalists and all the soft talk of the capitalist papers, and even of the "Vorwaerts," that economic relations are being established with the Soviet Union only for its sake is so much window-dressing for this capitalist policy.

The attitude of the German social-democrats was of special importance in this campaign. The leadership of this party and its central organ proved again on this occasion that German social-democracy is the most extreme supporter of a definite western orientation in German foreign policy, and at the same time the most hostile towards the Soviet Union. The fact that the social-democrats gave unequivocal support to German foreign policy when it was directed against the Soviet Union in breaking off trade negotiations is merely a continuation of a tradition. It is the continuation of the policy which was demonstrated by the support of the Brest "*coup de force*" and the vile attitude of imperialism under the Kaiser, the famous episode of the Berlin station in November, 1918, and the Russian courier's opened luggage, the direct assistance of social-democracy in the police raid on the Soviet representatives in Berlin and the bomb affair. Unlike the bourgeois press, the "Vorwaerts" did not moderate its attitude during the recent campaign. The German social-democratic central organ has never shown such zeal and enthusiasm in proving to the German workers that German social-democracy is quite in the swim with British imperialists, and that it is faithful only to one motto: "Together with the capitalists against the Soviet Union!" In this, too, the Paris "Populaire" makes a good counterpart to the "Vorwaerts." The French socialist organ wrote on March 17th concerning the action of the German Government:

"The present disagreement is the result of an incomprehensible and rash action of a government in its death-throes, or rather of a clique which is hanging on to power. It is the action of people who have lost their power of reasoning through internal crises and overlooked the effects of their action abroad."

Thus we see the much-longed-for joint work between the French and German socialists, which could not be brought about in the Rhine question, has now been completely established for the first time.

The "left" social-democratic press in Germany at first observed the doings of the "Vorwaerts" in silence, and had nothing to say about the whole affair. The

The Don Basin Plot—Continued

Vienna "Arbeiterzeitung" has not even found its tongue yet. But the attack of the social-democratic press service and the "Vorwaerts" and the support of the Stresemann policy, together with the fear of the effect of this lackey service on the workers, forced the "left" to come into the open. The "Chemnitzer Volksstimme" correctly pointed out that the "Vorwaerts'" attitude reminded one of August, 1914. The manner of the "Vorwaerts" borders on war agitation. During these days there has been a kind of dress-rehearsal for war, and the "Vorwaerts" has stood the test most successfully. Naturally the same holds good for the policy of the German social-democrats themselves. The attack from the "left" changes nothing in this respect. They too have shown by their attitude that they intervene with their criticism only when it is far too late. And action, of course, is quite out of the question. In the preparatory stages of this campaign against the Soviet Union the "left" organs kept up bravely with the right, a fact which accounts for the indifferent attitude of the German social-democratic leaders to the wishy-washy protest of the left, which did not amount to more than "regrets." The "Vorwaerts" took absolutely no notice of the criticism of the "Chemnitzer Volksstimme" and the "Leipziger Volksstimme," whilst the German social-democratic parliamentarians answered them by being still more zealous and enthusiastic than the bourgeois parties in their support of the Stresemann Government.

The attitude towards the discovery of the counter-revolutionary plot in the Don basin should serve as a

lesson and a warning to the workers in capitalist countries. They too must be more on the alert in following the economic relations and the entire policy of their capitalists and their governments towards the Soviet Union. The task of workers in capitalist countries consists in forcing the establishment of economic relations with the Soviet Union, but at the same time in preventing such relations from being used as part of counter-revolutionary plans. This constitutes a part of the defence of the Soviet Union, and acts as a preparation for this defence in case of war. The events of these last days have shown clearly how well-prepared the capitalist plan of an economic blockade is, and consequently the war against the Soviet Union, which might break out through some unforeseen event. But, above all, this affair has shown that capitalists are endeavouring to use economic relations with the Soviet Union for the purpose of hostile activities. The advance of socialist construction in the U.S.S.R. will only strengthen these hostile tendencies, since the expectations based on the downfall of the U.S.S.R. become more unlikely.

Some time or other the moment must arrive when capitalist Powers see that there is no hope of undermining the dictatorship of the proletariat by their economic relations, and when they will risk their last card. This will be the moment when in the endeavour to overthrow the power of the workers and peasants the competitive differences between the capitalist States will recede into the background. The workers in capitalist countries must be prepared for this development, they must be ready and not allow events to take them unawares.

Soviet Russia and the Capitalist System

L. Eventov

THE contradictions within the capitalist system appear more clearly as contradictions between the U.S.S.R. and capitalism since the formation of the Soviet Union, and become more pronounced in accordance with the economic and political consolidation of the U.S.S.R. The new era which was ushered into human history by the October Revolution is marked by the fact that henceforth class distinctions are reflected in the system of world economy not only vertically, but also horizontally, and socialist antagonism is represented as an antagonism between the capitalist and the socialist State. In this respect, from the point of view of the crystallisation of class-consciousness, an almost tangible clearness has been established. The mutual relations between the U.S.S.R. and the bourgeois world at the present moment act as a very sensitive barometer for the class tension and the intensification of internal differences within the capitalist society itself. And on the other hand the internal evolution of the U.S.S.R., its rise or fall, constitutes a most important fact in the scales of these mutual relations. Thus, in spite of the Chinese wall which has been erected by capitalism around the U.S.S.R., in spite of the active and passive

boycott by the capitalists and the relatively weak material connection between both worlds, they react on each other and their fate is more closely linked up than was the case with pre-revolutionary Russia and pre-revolutionary capitalism. This fact proves the international nature of the October revolution, and serves as the most powerful antidote against "national narrowness."

The international significance of the October revolution is also seen in the change in the system of world capitalism, caused by the crystallising of social forms, and the growth of crises within this system as a result of the new social system, which, compared with the capitalist system, is more advanced.

The historical effect of the October revolution is to be found in the fact that after the revolution and the establishment of the Soviet Union the sole domination of capitalism came to an end. Bourgeois methods of production, which had been the most progressive when compared with other existing economic methods, which were but the survivals of antiquated and lower form forms of production, subject to and adapted to the requirements of capitalist development, lost their halo of perpetuity

Soviet Russia and Capitalism—Continued

and stability after the October revolution. And although capitalist methods of exploitation still dominate world economy—in spite of the fact that the Soviet Union, which constitutes one-sixth of the globe, acts as a sufficiently palpable material barrier to capitalism—the principle is already established for the overthrow of this rule and the sooner this happens the speedier and the more extensive will be the economic successes of the U.S.S.R.

Obstacles to Industrialisation

When speaking of the superiority of the Soviet system over the capitalist, we should not forget the many obstacles which help to undermine the influence of all the potentialities of the socialist means of production. The founders of Marxism with all their marvellous foresight would hardly have foreseen the actual historical conditions in which the foundations of socialism are being laid. The attack against capitalism came from that front on which it was easier to destroy, but more difficult to build (Lenin). The work of revolutionising these backward forms of economy on this front by capitalist methods had not been completed at the time of the social upheaval and it fell to the lot of the builders to carry out this task together with the work of social reconstruction.

If we consider the position of socialist construction in the U.S.S.R. from this point of view, the two main handicaps are to be found in the technical backwardness of the Soviet Union and the low standard of culture of the workers, both of which are the inheritance of pre-revolutionary times. Taking the specific nature of the social structure of the Soviet Union into consideration we find at the present moment a disproportion between the low level of development of productive forces and the advanced form of social conditions.

The great handicap caused by technical backwardness and the low level of production is clearly seen if we examine the data illustrating the position of the productive forces in various countries.

If we make a comparison from the point of view of the general quantity of productive forces employed in advanced States, the U.S.S.R. gives precedence to the United States and in Europe occupies third place after England and Germany; this constitutes a minimum for our enormous territory. Countries smaller than the U.S.S.R. are more advanced in this respect. But the position is still more unfavourable if we examine the composition of the productive forces. The "live" forces: human and animal, relegate the Soviet Union to the position of a backward country, such as India, China, etc. But in respect of mechanical energy, the U.S.S.R. is behind the countries of North America and Canada, and in Europe behind England, Germany and France.

The following table illustrates this clearly:

PRODUCTIVE FORCES IN VARIOUS COUNTRIES

COUNTRY	(Energy used in mill. h.p. per hour) Prod. Forces	Mechanical	"Live"	% to total % Mech.	% "Live"
EUROPE:					
England	46,116	43,604	2,512	94.5	5.5
Germany	42,058	36,159	5,899	86.0	14.0
France	26,775	22,131	4,644	82.6	17.4
Italy	11,786	8,350	3,436	70.8	29.2
Spain	7,176	4,641	2,535	64.7	35.3
Czecho-					
Slovakia	6,358	5,411	947	85.1	14.9
Austria	3,330	2,882	448	86.6	13.4
Sweden	5,998	5,119	879	85.3	14.7
Norway	5,884	5,631	258	95.7	4.3
Finland	1,237	747	490	60.4	39.6
U.S.S.R.	37,742	12,342	25,400	32.7	67.3
ASIA:					
Japan	14,915	11,373	3,542	76.3	23.7
China	28,338	4,889	23,449	17.3	82.7
India	55,246	5,712	49,534	10.3	89.7
NORTH AMERICA:					
United					
States	235,657	211,543	24,114	89.7	10.3
Canada	22,633	15,766	6,867	69.7	30.3

The composition of the balance of energy in the U.S.S.R. shows the low level of the development of productive forces for mechanical and "live" forces are as 32.7 per cent. to 67.3 per cent. The per capita mechanical energy in the United States is 20.5 times that of the U.S.S.R., in England 11 times, in Germany 6.5 times, in France 6.3 times, in Italy 2.3 times, and in Japan twice as much. Soviet production, as a result of its inheritance, is more badly armed for the struggle with nature than production in other countries; a fact which is clearly seen from the results of its labour.

There is no doubt that the agrarian nature of the U.S.S.R. and its millions of petty bourgeois agrarians is a definite factor which contributes to the technical backwardness of the country. But on the industrial front, too, there is considerable backwardness, especially in comparison with advanced industrial countries. Thus, for example, in 1925 the strength of prima motors used in industry was equal to 35.7 million h.p. in the United States, in Germany in industry and trade 17.6 million, in England 12.4 million, in France 7.9 million, but in the U.S.S.R. only 5 million h.p.* which shows the extremely low organic composition of our basic capital inherited from the bourgeois order.

Neither Marx nor Engels ever imagined that socialist construction would begin after such a waste of material values as took place prior to construction in the U.S.S.R. Marx in the "Criticism of the Gotha Programme" wrote about the birthmarks of the old order which would cling to the new order when it would be established. But Soviet Russia was covered not with marks, but with bleeding wounds when it emerged after the fierce struggle with the class enemy and its victory over it and began the work of peaceful construction on the economic front. We must recall that the six years 1914-20 began with the imperialist conflict and concluded

* The data for the United States are from the industrial census 1925, for Germany from the annual statistics for the Reich 1927, p. 81, for England from incomplete data in the 1924 report, which is still being published; for France from the annual statistics for 1926 with the addition of the strength of the hydraulic station. The data for the U.S.S.R. are estimated

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with the civil war, which Lenin estimated cost the Russian people more than 90 million gold roubles.*

Despite the difficult conditions here enumerated, the material growth of the U.S.S.R. is developing and outdoing the capitalist world in its tempo. What are the reasons for the astonishing successes of the Soviet Union?

On the one hand the reasons for this success are to be found in the fact that capitalist development is paralysed by the number of crises it is going through. But the main reason is to be found in the predominance of the socialist method of construction, on which the industrial development of the U.S.S.R. is based. It is interesting to note that within the Soviet Union industry which is entirely on a socialist basis takes the lead in economic progress.

At the present moment it is difficult to make a complete review of the advantages of the socialist form of economy, but a few of the main points gathered from experience allow us to judge.

Politics and Production

The Soviet system in practice brings about a fusion of the political leadership and the economic management. Saint-Simon foresaw that politics would become the science of production and foretold the complete amalgamation of politics and economics. Of course, we are a long way off from the realisation of this, at least as long as we are the sole socialist State and our petty bourgeoisie continues to play such an important role within the country. Yet, the increasing transformation of politics into the leadership of the economic machine and the utilisation of the economic process as a political weapon, both at home and abroad, constitutes the most important factor in the economic progress of the Soviet Union and acts as a guarantee for the success of its most complicated manoeuvres. The policy of the Soviet Union is directed towards the concentration of economy, which will not only help to bring about success at the present moment, but prepares the way in the distant future for the stateless society. The role of the Soviet State apparatus is thus the organisation of production and the education of the producers by bringing the masses into production. Therefore, in the transition period of socialist reconstruction it even grows into the most powerful lever of development to be found in the U.S.S.R., but this is the necessary preparation for the gradual extinction of the function of the State.

In State industry in the U.S.S.R. we find a combination unequalled in the most powerful capitalist concerns. The differences between State and private interests are abolished, between industry and man-power, between various forms of capital and finally, if policy is correctly carried out, between industry and agriculture. The removal from the basic economic processes of the competitive struggle for profits and the unity of aims is a guarantee of the possibility of a **planned and regulated** national economic process, that is to say a rational beginning in place of anarchic markets.

Such a State system excludes the possibility of general crises such as are undermining the capitalist world. Here conditions are being created whereby the

means of production in the hands of the associated producers are transformed from demonic masters into obedient servants (Engels). However, this does not imply that there are no crises in the plan in itself or that it should not be revised in order to avoid temporary economic difficulties, which may arise until such time when the plan will be perfected. The control of anarchic market methods by a plan, a plan such as was laid down by the Fifteenth Party Congress, must of necessity develop in accordance with the actual growth of the organisation of national economy and the increasing possibilities of exact calculation and foresight based on the growth of the economic socialisation of the country. For this reason plans often conflict with reality. Still experience has shown that the degree of development arrived at helps to liquidate difficulties which may arise and prevents them from developing into crises.

The Peasantry

A general crisis in the Soviet system could only arise as a result of an incorrect peasant policy.* Comrade Bukharin remarks that no juridical union whatsoever between the various branches of our industry can save us from severe shocks if mistakes are made in respect of basic relations, that is to say between State industry and peasant economy.† Such a crisis would be simultaneously a State crisis on account of the close contact between economy and politics in the Soviet Union. This explains the decisive struggle which the Party has always waged against any vacillation on the question of mutual relations with the peasantry.

In addition to these facts, which are part of the new social-productive method that facilitates the speeding up of the tempo of the economic development of the U.S.S.R. there were favourable conditions of an historic order, which were made far more effective by the strict regulations of planned economy.

The technical backwardness to which we have already referred necessitates the accomplishment of the industrial revolution, which has taken place in other countries. The industrialisation of young countries is usually carried out on the basis of the latest attainments of science and technique. Thus, they start from the degree of development already attained by the most advanced capitalist countries; this fact allows them not only to overtake, but also to outstrip capitalist countries which have completed the cycle of their industrial development. Whereas the development of such countries depends on the prosperity of the masses to a large extent, technically backward countries grow quickly on the basis of their industrialisation.

In comparison with other backward countries the U.S.S.R. possesses numerous advantages, which ensure the most tremendous speed in the development of the country.

The realisation of reconstruction which is bound up with technical and social rebuilding is a guarantee for greater speed in the economic growth of the U.S.S.R. than in the surrounding capitalist countries. Another factor which operates is that the technical revolution is taking place in the U.S.S.R. with the conscious partici-

* We do not refer here to crises which arise from non-economic or natural reasons.

† N. Bukharin: "On the Trotsky Question," p. 162.

* Kridjanovsky: "Ten Years of Economic Construction in the U.S.S.R." published in "Plannovaya Hozaystvo," 1928.

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pation of organised human will and the active support of the workers themselves, whose personal interests coincide with the success of socialist production. Assuming that the personal stimulus of individual enterprise and its organisational incentive has been, and continues to be, a powerful lever in capitalist production, then socialist construction, which is based on science and collectively organised ought to surpass all capitalist records. Finally, in the U.S.S.R., where the capitalist form has been discarded and together with it the contradiction between supply and demand, which causes a large mass both of labour and capital to remain unused, the growth of the productive forces is not limited by the market capacity and at the present stage is more likely to have a contrary effect, since production cannot keep pace with the rapid growth of demand.

The following table shows how in reality the material process of production realised is stimulated and determined by the peculiarities of the Soviet system.

INDEX OF THE VOLUME OF INDUSTRIAL PRODUCTION

(At pre-war rates: 1913=100.)

Year	U.S.A. ¹ Index of pro. in mining	England ² Index of pro. in manufacture	Germany ³ Index of Indust. produc.	France ⁴ General indust. index	U.S.S.R. ⁵ Index of indust. produc.	Index of prod. of heavy and light indust.
1920	120	116	100.2	—	66	13.1
1921	99	94	67.5	—	54	23.0
1922	103	120	80.8	—	81	30.2
1923	147	141	88.7	—	92	39.9
1924	137	134	90.9	76.2	108	61.9
1925	143	148	87.1	92.4	106	89.9
1926	154	152	67.0	87.4	123	104.1
1927	157 ⁶	153 ⁶	96.6 ⁷	106.5 ⁶	108 ⁸	119.0 ⁹

Progress of the U.S.S.R.

Thus it is clear from the point of view of average that the U.S.S.R. has caught up with European countries, despite the fact that with the aid of American loan capital there has been established "an international capitalist brotherhood" at a time when the U.S.S.R. was fighting a credit blockade. The table here reproduced also stresses still another important difference between the two systems. If we were to make a chart of the capitalist vacillations and those of the U.S.S.R. we would see three different curves characterising the specific peculiarities of world economic development. In the case

¹ Indices of the Department of Trade, calculated on the basis of 1913=100.

² Index from "The London and Cambridge Economic Service."

³ Index of the markets institute in Berlin; in to the present boundaries.

⁴ In to the present boundaries.

⁵ The basis for 1913 is taken from the data of N. Vorobyev. From 1921 to 1927 it is based on economic records. From 1920 to 1923-24 the index is calculated on the data of the labour section of Gosplan, based on facts and material from "The Dynamics of Russian Industry for 40 Years" (unpublished research work of the commission). From 1924-25 to 1927-28 the index is calculated on the basis of the control figures of the Gosplan for 1927-28.

⁶ For ten months.

⁷ For nine months.

⁸ For eight months.

⁹ Control figures for 1927-28. The latest calculations of the economic organs and the results of the first quarter of 1927-28 show the possibility of a still greater growth than was anticipated in the control figures.

of the U.S.S.R. the curve shows a sharp upward tendency; in the case of America a slow upward tendency and in the other countries the curve is zigzag in form. Furthermore, there would be a yawning gap for all capitalist countries in 1921, for the United States in 1924, for England and Germany in 1926, and for France in 1927. The feverish vacillations and slumps here depicted are a proof of an unhealthy state of the economic organism, but in the U.S.S.R. curve we do not see any such indications. This fact leads one to the conclusion that capitalist cycles are disappearing in the U.S.S.R.

Now comes the characteristic tempo of development of the various countries dealt with. On the basis of this table the following annual growth of industrial production has been calculated.

TEMPO OF INDUSTRIAL DEVELOPMENT IN THE U.S.S.R. AND CAPITALIST COUNTRIES
(Annual growth in per cent. of the preceding year.)

Year	United States Mining	United States Manufact.	England	Germany	France	U.S.S.R.
1920						
1921	-17.5	-19.0	-33.0	—	-18.0	+77.0
1922	+4.0	+27.5	+19.5	—	+50.0	+30.0
1923	+43.0	+17.5	+10.0	—	+13.5	+33.0
1924	+7.5	-5.0	+2.0	—	+18.5	+56.5
1925	+4.0	+10.5	+5.5	+21.0	-2.0	+46.0
1926	+7.5	+2.5	-23.0	-5.5	+16.0	+15.5
1927	+2.0	+0.5	+43.0	+21.5	-11.0	+14.5*

With the exception of France, where development was carried on at the expense of artificial stimulation (inflation), which caused a serious depression, all other countries show a rapid rise only in the years of compensation, which are bound up with recovery after serious crises or economic depression. In the U.S.S.R. during the first years we may be able to speak of compensation, or as we term it the years of reconstruction, but during the past few years when the pre-war level has been exceeded such a motive force does not come into consideration. We have here to do with a growth which has taken place under the most adverse conditions, and, therefore, we may rely on this continuing in the future. It must not be forgotten that with every year we are approaching the moment when the millions invested in national economy will give results.

Electricity and Oil

We have even now a partial realisation of these investments, especially in respect of the power industry in the country, which meets the daily demand of the economic growth of the U.S.S.R., as was shown in the analysis of the productive forces. In this respect the best proof of the prevailing tendency in the U.S.S.R. is the progress made in the field of electrification.

ELECTRIFICATION OF THE U.S.S.R.†

	1925	1926	1927
Total power of all electric stations in thous. watt.	1,349	1,440	1,690
Output of power in mill. watt. per hour	1,132	3,220	4,112

These figures show that Lenin's intentions have been realised to the full: the vast expanse of the U.S.S.R. is actually being covered with giant power stations such as Schatura, Volhovstroy, etc.

* See the previous remark which shows a still higher rate of development.

† Prospects of national production in the U.S.S.R., Gosplan, 1928, p. 25.

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The oil industry is the first fledgling of Soviet reconstruction. The rationalisation of the most important elements of exploitation hitherto attained has made it possible for the oil syndicate to compete with fluid fuel on the foreign market with such as the "Oil Napoleon," Deterding. Soviet oil is increasing in importance on the world market and is only second to that of America. The relative coal output by mechanical processes is not much less than that of England. In the U.S.S.R. it is 17 per cent.; in England 19 per cent.; in the United States, according to the most recent data, 70.6 per cent., and in Germany 67.4 per cent. of the entire output. The output of peat by mechanical means is a subject of wonder even for foreign specialists. All these branches mentioned have exceeded the pre-war level, not only as regards quantity, but also as regards quality. The construction of machinery is approaching the pre-war level; in 1927 the production amounted to 230 million roubles worth as against 237 million roubles in 1913* whilst at the same time there is a constant growth of new types of industrial production such as aeroplanes, automobiles and tractors. It is quite clear that the tremendous demands of the country cannot be satisfied by home production and necessitate the import of foreign manufactures; this is seen from the growth of imports.

Some Comparisons

The development of some of the most important branches may be seen from the following table:

COMPARISON OF PRODUCTION IN THE U.S.S.R.
IN PER CENT. OF TOTAL WORLD PRODUCTION

	1913	1926	1st half-year
Coal	2.3	2.3	2.5
Steel	5.5	3.6	3.6
Pig-iron	5.3	3.4	3.6

The consumption of cotton was 5.6 per cent. of the world consumption in 1926 and 4.9 per cent. in 1925. The manufacture of steel and pig-iron is still behind the general production, but this shortcoming will soon be overcome as may be seen from the returns for this year, 1927-28.

The following figures show the position of agriculture:

AGRICULTURE IN 1926 (1909-13=100†.)

	Area under tillage	Grain harvested	Cattle
United States ...	106.8	104.0	100.6
England	89.3	96.4	102.6
France	82.0	86.1	88.9
Germany	94.2	75.7	89.7
Italy	100.0	112.3‡	102.0
U.S.S.R.	99.1	94.8	91.9

Agriculture does not at all belong to the socialist sector of the U.S.S.R.; here the influence of socialised economy has not been able to have sufficient effect. To transform the village in accordance with Lenin's plan through the co-operatives is a slow process and cannot be accomplished at once. Therefore, this sector of economy must proceed on the lines of the evolution of

* The first figures from Gosplan, the second from notes of the German machine-producing company, presented by the League of Nations.

† With the exception of the U.S.S.R. all data from the Rome agricultural institute. The cattle calculations are based on the number of horned cattle.

‡ Average for 1923-26.

world economy. Still when we consider the depressed state of agriculture in Anglo-Saxon countries in comparison with the high level during the war, the progress made in agriculture in the U.S.S.R., which has suffered so much from war and civil war, is by no means negligible. The attainments made in the production of technical agricultural produce are especially noteworthy. The index as compared with pre-war is 127.4, which gives proof of the growth of intensive cultivation on the agrarian front.

The following table gives an indication of the change in the position of Soviet agriculture as compared with world agriculture.

THE U.S.S.R. PERCENTAGE OF WORLD
PRODUCTION*

Year	Area under tillage				Harvest			
	Wheat	Rye	Barley	Oats	Wheat	Rye	Barley	Oats
1909-13	25.9	56.8	30.3	28.1	18.5	41.7	22.8	20.0
1925	21.0	60.8	22.0	22.3	16.8	45.3	16.8	15.2
1926	24.2	61.1	22.6	26.1	19.9	42.6	16.1	21.5

These tables bear out the previous data given on agriculture; the area under tillage and the grain harvested in the U.S.S.R. do not show any noticeable advance over pre-war. And in this connection it should be pointed out that despite the 12.5† per cent. increase in agricultural production over pre-war times, the U.S.S.R. finds it difficult to meet the demands of industrial and personal requirements and also those of export. This state of affairs makes it necessary to increase the productivity of agriculture in the U.S.S.R., which is far behind the general industrial production of the country, and also the agricultural production of the big capitalist countries.

Agricultural products always played the most important role in Russian exports. On this account the inadequate progress made as regards agriculture is felt in the poor development of material contacts between the U.S.S.R. and foreign countries. This tendency is further intensified by the hostile policy of the capitalist encirclement of the U.S.S.R.

Foreign Trade

The turnover of U.S.S.R. foreign trade is as follows.‡

THE U.S.S.R. AND THE WORLD MARKET (Percentages)

	1913	1926
World imports	3.48	1.13
" exports	4.15	1.28
" turnover	3.81	1.20

Trade connections with individual important countries are as follows:

THE U.S.S.R. AND THE TRADE OF INDIVIDUAL
COUNTRIES

	1909-13			1926		
	Export	Import	Turnover	Export	Import	Turnover
Great Britain	4.0	5.7	4.9	1.6	1.9	1.9
Germany	7.6	15.2	11.8	2.7	3.0	3.0
U.S.A.						
(1910-14)	1.1	1.1	1.1	—	—	—
France						
(1913)	1.2	5.4	3.0	0.42	1.15	0.79
Italy	2.0	6.4	4.2	1.26	2.03	1.71

* The Rome Agric. Inst. U.S.S.R. is calculated without Turkistan, Trans-Caucasia and the Far East.

† From the index of technical production.

‡ I. Lambrov: "International Trade and the Position of the U.S.S.R." Published by the Trade Commissariat, 1927. Nos. 2 and 3.

Soviet Russia and Capitalism—Continued

There is a marked change in Soviet foreign trade as compared with that of pre-war; the export of certain goods, such as oil and furs has greatly exceeded the pre-war export, whilst agricultural products show a decline. Soviet imports are regulated by the bulk of exports, and such imports are strictly of an industrial nature. The export surplus, which in pre-war times was destined to pay off foreign debts, has declined considerably.

In connection with the picture which we have drawn of the economic position of the U.S.S.R. it is of interest to point out in whose favour the economic progress of the U.S.S.R. operates. Under capitalism the gains made by economic progress accrue to the ruling class, and the workers are given a sop. How does the U.S.S.R. apportion its economic gains? The best answer to this is given in the following figures about the income of the population:

	INCOMES IN THE U.S.S.R. (Percentage of the foregoing year.)		
	1925-26	1926-27	1927-28 (approx.)
Total Income	128.5	100.3	106.5
Agric. Pop. ...	123.3	107.2	107.3
Wage earners	149.0	117.1	107.7
Bourgeoisie ...	126.7	99.9	98.6

Of course, it is no matter for surprise that in a country which is building up socialism, the incomes of the working class increase and those of the bourgeoisie decrease, whereas in capitalist countries the contrary is the case. It is important to note that the tempo of the growth of the welfare of the workers is considerably in advance of the general growth of the national income, a fact which stresses the ruling position of the proletariat in the country.

Production and Wages

A review of the indices of production and real wages in capitalist countries gives a topsy turvy picture.

INDICES OF THE VOLUME OF INDUSTRIAL PRODUCTION (a) AND WAGES (b) IN DIFFERENT COUNTRIES

(1st half-year 1927 in percentages of pre-war.)¹

	a	b
The U.S.A. ...	153.0	136.4
England ² ...	96.6	108.4
Germany ...	106.5	92.4*
		103.5†
France ...	108.0	103.5‡
Italy ³ ...	163.0	85.6
U.S.S.R. ...	104.1	105.4§ 128.4

In practically every capitalist country the real wages index does not keep pace with the industrial production index, but in the U.S.S.R. the contrary is the case. Furthermore, with the exception of Germany, the number of workers employed has generally decreased,

¹ Average week. ² Wage index in England low because of short time. ³ Index for coal, oil and electricity, Prof. Morton (1926).

* Skilled. † Unskilled. ‡ Miners. § Not including Communal services, etc. || Including Communal services, etc.

but in Soviet Russia there has been a systematic increase. Consequently, the relative percentage of wage workers in national industry abroad is on the decline, but in Russia it is constantly on the increase. And in addition to this there is the fact that the eight-hour day is practically a thing of the past, except perhaps in America, whilst in the U.S.S.R. the average working day in 1926-27 was seven to eight hours (not including overtime and other time) and at the present time various factories have already introduced the seven-hour day whilst maintaining the present rate of wages. Hence, the principal difference in the position of the workers under both systems, despite the uneven development of the productive forces, is undoubtedly in favour of the U.S.S.R.

The budget of the Soviet workers bears witness to the accomplished revolution. The annual consumption of food per capita for a working class family was before the war 2,907 to 3,340 calories. Already in 1924 this level was exceeded, the food consumption being 3,422 calories, and in autumn 1926 it was over 3,600 calories. At the same time the quality of food improved: the workers now demand five per cent. less rye flour than in pre-war times, and 64 per cent. more wheat; 36 per cent. less fish and 57 per cent. more meat; three per cent. less vegetable oil and 42 per cent. more dairy butter, and 38 per cent. more sugar and sweets. In pre-war times the expenditure for clothes and shoes was 10 to 15 per cent. of the budget, but now it is 21 per cent. And over and above all this the workers have been able to save, and these savings have been mobilised by the State in the form of loans to the extent of a million roubles.

The basic difference between the position in capitalist countries and the U.S.S.R. consists in the fact that in the U.S.S.R. the well-being of the workers and mainly the rate of wages is not regulated by the labour market or profits. The material growth of the working class in the U.S.S.R. is closely bound up with the productivity of labour. The maintenance of these conditions is quite possible in the future if we are to judge by the period just elapsed. In view of the fact that the workers' wages at present are nine per cent. more than they were pre-war, despite the economic destruction, there is no reason to suppose that with the growth of national economy and the increased measure of organisation the rise in wages will not continue in the future.

On this assumption the minimum variation in the five years' plan contemplated for 1927-28 to 1931-32 puts the growth of industrial production at 63 per cent., agricultural 24 per cent., real wages 45 per cent. In addition to collective growth we are justified in expecting a further growth in the quality of production: that is to say the transformation on to a social basis. Such a state of affairs as here shown greatly increases the basis for the world revolution. The development and strengthening within the world complex of an enormous "state of the future" increases the antagonism of the capitalist system and brings the day of its overthrow still nearer. The dual form of the existence of world economy cannot possibly be very prolonged, hence the existence of forms antagonistic to one another threatens the future economic development of the U.S.S.R., internal differences in themselves cannot possibly hold back socialist construction.



Book Review

O. PIATNITSKY: "Die Organisationsarbeit in der kommunistischen Parteien der kapitalistischen Länder. Verlag Carl Hoym Nachf., Berlin.

COMRADE PIATNITSKY'S book, "Organisational Work in the Communist Parties of Capitalist Countries," has now been published in a German edition. It is a very great pity that the book has been published in German nearly six months after its Russian edition, and it is a still greater pity that the French and British editions are only now being prepared for the press.* In his foreword the author states that "the brochure was written mainly for the active workers of capitalist countries." That is an absolutely sound delineation of comrade Piatnitsky's new book. Every active member of every Communist Party in capitalist countries must have a copy of comrade Piatnitsky's little book among the number of absolutely necessary handbooks on everyday Party work.

In order to give an idea of the book's contents we give the chapter headings: (1) The achievements of the organisational work in the Communist Parties of capitalist countries. (2) The ideological influence of Communist International sections on the working class and the organisational consolidation of that influence. (3) Factory and street groups and the role of factory newspapers. (4) The work of the central organisation of the Communist Parties in legal countries. (5) The work of Communists in trade unions. (6) Conclusion (formulating the most important immediate organisational tasks of the Communist Parties in capitalist countries).

The simple recapitulation of these chapter headings shows what value the book should have for the practical Party worker. That value is increased still further by the circumstance that the book is least concerned with general abstract considerations, and that three-quarters of it is composed from the facts of organisational work by the Communist Parties of capitalist countries, facts of bad and good work, eloquently and documentarily showing that with all the achievements of the Communist Parties in capitalist countries in the realm of organisational work, that work continues to be a very weak spot in their activities, and that organisational work is lagging behind the swiftly increasing ideological influence of the Communist Parties.

* The English translation was published at the beginning of April of this year under the title "The Organisation of a World Party," by O. Piatnitsky. C.P.G.B. 6d.

The basic ideas of comrade Piatnitsky's new book may be formulated as follows: again and again, and with all due severity, he emphasises that the Communist Parties of capitalist countries must at all costs and in the shortest possible time betake themselves to the consolidation of their organisational work and their organisational machinery. The Communist Parties in capitalist countries have in general very favourable conditions for their growth, but organisationally they do not exploit, they do not know how to exploit all these possibilities, and in consequence of this fact they grow more slowly than they could if they were stronger organisationally.

Comrade Piatnitsky gives particular attention to questions arising from the work of factory and workshop nuclei and the work of the Communist Parties in the trade unions. By a long series of examples Piatnitsky shows that many errors and the defeats suffered as the results of those errors could have been avoided by the Communist Parties if they had followed the lead of the Comintern more attentively and insistently. Comrade Piatnitsky cites the example of how comrade Lenin, speaking on the defects of the Communist Parties' work during the Fourth Congress of the Comintern, recalled the organisational decisions of the Third Congress, emphasising that the delegates from abroad must understand "that we wrote on the organisational structure of the Communist Parties and that the delegates from abroad subscribed to them without reading and without understanding them. That should be their first task. It is absolutely necessary to put these resolutions into execution."

As an example of how serviceable comrade Piatnitsky's book can be to the Party worker, one may point out that the errors committed by the Ruhr regional committee of the Party during the last conflict in the mining industry were foreseen in comrade Piatnitsky's book, and thoroughly analysed on the basis of the materials forthcoming from the previous conflict in the spring of 1927. This section of the book was issued separately in the "Communist International" as early as June last year, and if the Ruhr comrades had attentively studied it they would have been able to avoid in good time the serious errors committed by them in the autumn of 1927.

In conclusion we once more recommend comrade Piatnitsky's book to the attention of active Party workers. We consider that in their turn the Party press of our brother parties should through their bibliographical sections counsel Party workers to read and study comrade Piatnitsky's book. We also consider it necessary to express the desire that in future the publication of books so practically indispensable to Party work as this is be speeded up, and that they may be published with rather more care. On this latter point we are forced to say that on page seven of the German edition of the book the derangement in the table of paying members of the Party previously passed in the "Communist International" (German edition) in which various chapters of the book were originally published, is repeated; for some reason this table is divided into two sections and a confusing text is inserted between them. In No. 42 of the Russian edition of the "Communist International," in which this chapter of comrade Piatnitsky's book has been printed, all the tables are satisfactorily in their places.

B. VASILIEV



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